



# School Finance Reform Overview

(2015-17)

## We can reinvest in schools and enact school finance reform while holding the line on property taxes.

- This plan is realistic and ready, providing solutions that are **good education policy and have received bipartisan support**.
- **It is a powerful first step** that makes long overdue changes to the funding formula, maximizes existing resources, and sets the stage for greater state support in future years.

## Economic impact

- *Every school district* will receive **more state aid**, which will **reduce their gross tax rates and levy**.
- 95% of school districts will receive more state support under this plan, and for \$3.8 million it will hold harmless the 23 districts that do not do better.
- School districts will have additional resources to reinvest in our children's schools.

## Elements of the plan

This plan fixes the funding formula and holds the line on property taxes by:

- **Guaranteeing a minimum amount of state funding for every student (\$3,000)**, providing vital resources to the 60 school districts that currently receive little or no state aid;
- **Incorporating a poverty factor into the formula (30%)**, accounting for families' ability to pay—not just their property value;
- **Making technical formula changes that strengthen rural, declining enrollment and negatively aided districts** by increasing the secondary cost ceiling and hold harmless level;
- **Restoring revenue limit authority (+\$200-204 per pupil) to all districts**, providing a modest increase in school spending while protecting taxpayers; and
- **Increasing transparency** by redirecting the school levy and first dollar tax credit so all state aid goes right to school boards.